

Leveraging Employee Agility to Navigate Entrepreneurial Challenges: A Theoretical Perspective

Kirti Singh*

Research scholar, Department of Management, University of Lucknow, Lucknow, Uttar Pradesh, India

ABSTRACT

There are numerous studies that address the challenges faced by entrepreneurial firms in India. However, there remains a gap in the literature to address these challenges from an employee perspective. More specifically, the role of employee agility in context to these challenges remains unexplored. It is to be noted that, the role of employees is extremely crucial for survival of any entrepreneurial firm. Therefore, the purpose of this study is to review the challenges faced by entrepreneurial ventures in India and how employee agility can help in tackling these challenges. For this purpose, the study has conducted a theoretical review of existing literature. The findings of this study are presented in two parts. First, we identified the major challenges of entrepreneurial ventures in India. In the second part, we elaborated on the role of employee agility and how it can be effectively employed by the organizations to mitigate the negative effects of these challenges. According to the literature, some of the major challenges faced by the entrepreneurial firms in India are lack of understanding of market needs (market related barriers), unfriendly regulations by the government, technological barrier and employee hiring and retention. In light of these challenges, some of the major strategies under the purview of employee agility are optimizing technological solutions through innovation, continuous learning and development, adaptability towards product customization and proactive response to market trends. Incorporating employee agility in such firms will not only address the current challenges, but will also help them to thrive in a competitive environment.

Keywords: Keywords: Employee agility, entrepreneurial challenges, innovation, proactivity.

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INTRODUCTION

Entrepreneurship is the backbone of any economy. At its core, entrepreneurship is about bringing new ideas to life through products, services, or businesses, and having the determination to overcome challenges in the process (Brenkert, 2009; Zhang & Arvey, 2009; Lu et al., 2020). Today, entrepreneurship is becoming more important because it supports national economic growth and creates jobs. Starting new businesses also plays a key role in developing economies that rely on knowledge and innovation. Top of Form Bottom of Form It is considered as a key driver of economic growth and stability of countries like India (Jena, 2020). In today's fast-changing and competitive economy, companies are searching for better ways to manage innovation and stay ahead of their rivals. One key focus has been on entrepreneurial employees, as their creative and innovative actions are seen as important for helping businesses grow and adapt their strategies (Blanka, 2019). Within the context of entrepreneurial firms, human capital or the employees play a very crucial

Corresponding Author: Kirti Singh, Research scholar, Department of Management, University of Lucknow, Lucknow, Uttar Pradesh, India, e-mail: kirtisingh0601@gmail.com

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role in success of such firms. Over the years, the role of employees has significantly evolved. They are not merely considered as executors of directions, but their role has expanded to include decision making leading to greater accountability and responsibility. Therefore, the employees are expected to be more flexible, adaptable and proactive (Neessen et al., 2019). These skills will allow them to increase their perceptibility towards environmental opportunities and threats, and allow them to exploit them to their utmost advantage. It is to be noted that these skills of employees are

closely related with the concept of employee agility. Employee agility is the ability of employees to quickly adapt to market changes (Muduli, 2016). Another definition by Salmen and Festing (2022) suggest that *“Employee agility is characterized by the ability to perform fast learning processes within as well as across a variety of experiences inside and outside the organization, including flexible navigation between different ideas and their implementation in the organizational context”*. It is characterised by employees possessing skills such as proactivity, adaptability and resilience (Sherehiy et al., 2007). The objective of this study is to explore the role of employee agility in managing the challenges faced by entrepreneurial firms in India. The study has adopted a theoretical approach to address this objective. The data was collected from Web of Science (WoS) database to search for relevant articles.

FINDINGS AND DISCUSSIONS

Our findings suggest that the Indian landscape despite its many efforts pose great challenges across its entrepreneurs. Although new entrepreneurs often come up with creative ideas and turn them into business startups, they usually overlook important factors like market conditions, competition, new businesses entering the market, and whether they have the right skills to run the business (Rowley & Oh, 2023). In a similar context Abosedo & Onakoya (2013), also comment that one of such challenge is not the ability to create innovative ideas, but also be able to provide sustainable solutions through their innovations. This implies that, any innovative product must be able to offer some kind of solution to the problems of individuals or society at large. Without offering this feature, it may be impossible for the entrepreneurs to scale their business as they may not be able to generate enough consumers for its product. Therefore, innovation along with the intention to problem solving remains an important aspect which the innovators must keep in mind. Similarly, these firms often find it difficult to increase adoption of their products and services in the market place or failed marketing and promotional activities (Sharma et al., 2024). This may be a result of lack of understanding of market needs. There is a concept of product development in marketing where the features of a new product are continuously modified to meet the current market needs. It is an important function of entrepreneurs to be able to accurately gauge the upcoming changes in the market and adjust their strategies accordingly to survive in a highly competitive

market. Shouldering the entire burden of tracking the market and environmental changes on the entrepreneur can quite often lead to overlooking certain crucial aspects. This is the reason why organizations have a marketing department, research and development department. These departments conduct regular researches to keep themselves up to date with the environmental changes that are happening or that may happen, such as responding to changes in governmental regulations, changes in market preference and changes in technology. In this context, the agility of employees working in those dedicated departments play a very important role. Agile employees are not only adaptable but also proactive in their approach. Prajogo and Ahmed (2006) propose that innovation is a result of technological factors and human related potential. In this context, a potential benefit of employee agility is that it leads to process and product innovation (Abrishamkar et al., 2021; Franco & Landini, 2022). It also leads to technological readiness of individuals (Durst et al., 2023). Therefore, it can be implied through literature that employee agility has potential in complementing the entrepreneurial skills through the innovation capabilities of the employees and their technological readiness. Innovation also requires creative skills and agile employees are characterised by high creativity (Rasheed et al., 2023). Collaborative efforts between the entrepreneur and agile employees can also lead to greater creativity as against individual efforts. Entrepreneurial firms also face the challenge of hiring new talent and workforce shortage (Mukul & Saini, 2021). This happens because there is often a mismatch between the skills needed for the startups and the available workforce. However, employees with agile capabilities such as proactivity and adaptability (Sherehiy & Karwowski, 2014) have the potential to bridge this gap between skills and demand in the job market. Agile employees are proactive in exploiting opportunities through better understanding of environmental trends that gives their company a competitive edge in the market. Proactivity also allows the employees to enhance their forecasting and strategy planning.

LIMITATIONS AND FUTURE RECOMMENDATIONS

One of the limitations of this study is that it has included data from only one database. It can further be expanded to include articles from other major databases such as Scopus, EBSCO and Jstor to make the

findings richer. Another limitation is that there was not enough evidence in the literature to suggest the role of employee agility in managing the challenge of strict governmental regulations. Businesses often struggle to grow when they deal with policy-related problems in their daily operations. The overall economy and government rules often hurt how smoothly a business runs. Rising inflation, changing foreign relations, and complicated regulations can create instability. Also, when government policies mainly support traditional business models, it becomes harder for new and small businesses to succeed (Sharma et al., 2024). Further research is needed to look into this aspect of entrepreneurial firms and employee agility. For future studies, it is also recommended to investigate into training and development of agile employees working in start-ups. The reason being that the training needs of such employees will definitely be different than those working in established companies. It is also important to understand whether investing in agility needs of employees may be worthy for the entrepreneurs or not. Employee agility leads to increase in firm's financial and non-financial performance (Franco & Landini, 2022; Das et al., 2023). Therefore, future studies could examine how employee agility influences firm performance across different industries, like technological startups and manufacturing startups to understand industry specific outcomes. It is plausible that employee agility might play different role depending on how dynamic or competitive the industry is.

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